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# Toward a New Pan-Americanism

BY CHARLES A. THOMSON

*with the aid of the Research Staff of the Foreign Policy Association*

AT a time when the trend toward "regionalism" is apparently gaining ground everywhere, the Inter-American Conference for the Maintenance of Peace assembled at Buenos Aires on December 1, 1936 to achieve closer unity among the republics of the Western Hemisphere. One result of this conference may be a larger degree of common action in the relations of American states with Europe and the rest of the world.

The conference was summoned on the initiative of President Franklin D. Roosevelt, who on January 30, 1936 addressed letters to the executives of the twenty Latin American republics. Declaring that the signature of the Chaco peace protocols by Bolivia and Paraguay had created a favorable opportunity for further advance, President Roosevelt called on the American republics "to consider their joint responsibility and their common need" to prevent future conflicts and to forward "the cause of permanent peace on this Western Continent." He suggested that the parley should study whether peace might better be safeguarded (1) by prompt ratification of existing treaties, (2) possible amendment of these pacts in the light of experience, or (3) "the creation by common accord of new instruments of peace additional to those already formulated." Such steps, it was asserted, would advance the cause of general world peace, since the agreements reached at the conference would "supplement and reinforce the efforts of the League of Nations and of all other existing or future peace agencies in seeking to prevent war."<sup>1</sup>

Various factors were believed to have motivated the Roosevelt initiative. The moment seemed propitious to consolidate the gains for inter-American

friendship and cooperation which the Good Neighbor policy had achieved. Completion and clarification of the confused treaty structure of pan-American peace, moreover, would not only diminish the threat of war in the New World, but possibly provide an example conducive to more universal international stability.

Further, the conference might serve definitely to advance certain concrete interests of the United States. First, it would strengthen this country's political and economic position in Latin America, as against leading European nations and Japan. Second, with the alarming drift toward war in both Europe and the Far East, the security of the United States would be enhanced by the assurance of peace and cordial relations in an area which supplies many essential raw materials. Third, the development of inter-American cooperation would serve to protect the American republics and their resources from attack by "hungry" dictatorships. It was feared by sources close to the White House that these powers—blocked in Europe and Africa—might turn to Latin America as an area for territorial expansion, a move which would at once challenge the efficacy of the Monroe Doctrine. Fourth, Washington might enlist at the conference the support of the Latin American states for a common front on neutral rights—a collaboration which would be of material importance should those rights be threatened in the event of a European war.

The Roosevelt invitation was promptly accepted by the Latin American governments, which hailed the idea of the conference as wise and timely. Their cordial attitude was subsequently re-enforced by the course of events in Europe and Africa. Italy's victory over Ethiopia in May 1936 was interpreted as evidence that sanctions had failed and that the

1. U. S. Department of State, *Press Releases*, February 15, 1936, pp. 162, 163.

League of Nations was unable to defend a weak state against aggression. This development seriously weakened League prestige in Latin America, and led a considerable body of opinion to turn from the Old to the New World as the center for effective international organization. Sentiment rapidly developed for a stronger regional grouping of the American states.

This trend was indicated by suggestions for enlarging the conference agenda submitted by Colombia, Guatemala and the Dominican Republic, which urged organization of an American League of Nations; the two latter states also advocated creation of an inter-American Court of Justice. Further additions to the program were advanced by other governments. Chile stressed the importance of limitation of armaments. Argentina mentioned the possibility of "extending the scope of the investigation to the social, commercial and economic field."

Following repeated consultation with all the governments concerned, the conference program was formally approved by the Governing Board of the Pan American Union on July 22, 1936. Its text was divided into six sections—organization of peace, neutrality, limitation of armaments, juridical problems, economic problems (including communications), and intellectual cooperation.

Approval of this program, much more extensive in scope than that originally envisaged in President Roosevelt's letter of January 30, did not assure automatic consideration at the conference of all the topics listed. The resolution adopted by the Governing Board of the Pan American Union advised that "preferential consideration be given to the questions relating to the organization of peace and that the Conference determine which of the other topics, whether of an economic, commercial or cultural character, are sufficiently ripe or merit a sufficiently general consensus [sic] of approval to make advisable their consideration; as well as those which should be referred to special conferences or to the Eighth International Conference of American States." Thus it remains for the conference itself to decide which of the topics on the agenda will actually come up for debate.

It appears likely that peace organization, neutrality and trade problems will receive most extended consideration. Consequently this report, following a summary review of the Good Neighbor policy, will devote major attention to these questions, together with possible modification of the Monroe Doctrine. Briefer reference will be made to the topics of limitation of armament, communications and intellectual cooperation.

#### ACHIEVEMENTS OF THE GOOD NEIGHBOR POLICY

The program for improving relations with Latin America through elimination of friction and discord—actually initiated during the Hoover régime—has been known under the Roosevelt Administration as the Good Neighbor policy. In the political field, this policy has been expressed chiefly by a changed attitude toward intervention and by increased cooperation with Latin American states toward maintenance of peace. In the economic field, the Good Neighbor program has been characterized by efforts to stimulate international trade through reciprocal concessions, and by a conciliatory attitude toward Latin American debt defaults.

The shift in policy with regard to intervention has been indicated by liquidation of existing military occupations, by voluntary abandonment of the right of intervention guaranteed by two treaties, and by pledges against recourse to intervention in the future. The last United States marines were withdrawn from Nicaragua on January 2, 1933, thus ending the long-continued military occupation of that republic. Similar action was taken in Haiti in August 1934.<sup>2</sup> United States responsibility for customs collection, however, continued in both countries.<sup>3</sup>

The withdrawal of marines from Haiti and Nicaragua was accompanied by surrender on the part of the United States of treaty rights of intervention in two other Caribbean countries. The so-called Platt Amendment with Cuba was abrogated in May 1934; and, by a new treaty with Panama signed in March 1936,<sup>4</sup> Washington renounced its prerogative of intervention and took steps to satisfy other grievances of the Isthmian republic.

In addition to these specific acts, the Roosevelt Administration has pledged itself against recourse to intervention in the future. At the Montevideo Conference in December 1933 the United States approved a convention on the rights and duties of

2. Cf. Raymond Leslie Buell, "The Caribbean Situation: Cuba and Haiti," *Foreign Policy Reports*, June 21, 1933; and Charles A. Thomson, "The Caribbean Situation: Nicaragua and Salvador," *ibid.*, August 30, 1933. On the Haitian situation, cf. also U. S. Department of State, *Executive Agreement Series*, Nos. 46, 68 (Washington, Government Printing Office, 1933 and 1934).

3. A proposal to transfer responsibility for customs collection in Haiti from the United States government to the Banque Nationale d'Haiti has not been carried through. In July 1935 a contract became effective between the Haitian government and the National City Bank of New York, by which the former purchased the Banque Nationale d'Haiti from the latter for the sum of \$1,000,000. Haitian official approval was secured only after President Stenio Vincent had over-ridden the Constitution in expelling from office eleven opposition Senators. By the contract, the Banque became the sole depository of government funds, but it has no authority over customs collection.

4. This treaty has not yet been approved by the Senate. For a partial text, cf. *Panama American* (Panama), March 3, 1936.

states, declaring that "no state has the right to intervene in the internal or external affairs of another." This action was accompanied, however, by an informal reservation on the part of Secretary of State Cordell Hull, in which he stated that "no government need fear any intervention on the part of the United States under the Roosevelt Administration."<sup>5</sup> A few days later President Roosevelt, speaking on December 28, 1933 before the Woodrow Wilson Foundation at Washington, announced that "the definite policy of the United States from now on is one opposed to armed intervention."<sup>6</sup> Both of these declarations fell short of a complete and categorical renunciation of intervention. Secretary Hull confined his pledge to the period of "the Roosevelt Administration," but did not attempt to define the type of intervention which was renounced. President Roosevelt, on the other hand, placed no time limit on his statement, but so phrased it as merely to indicate general opposition to the use of "armed intervention." He coupled with it, moreover, an intimation that joint or multilateral intervention might be attempted in a possible crisis, as a substitute for unilateral action on the part of the United States.<sup>6a</sup>

The United States has also furthered the Good Neighbor policy by cooperation with the nations of Latin America in efforts to end American conflicts. The Hoover Administration in 1933 supported endeavors by the League of Nations to secure a peaceful solution of the Leticia dispute between Colombia and Peru. While similar cooperation was not displayed during the Chaco struggle, and peace efforts were marred by rivalry—not only between Washington and Geneva, but also between the United States and South American states<sup>7</sup>—the Roosevelt Administration accepted an invitation to collaborate with Argentina, Brazil, Chile, Peru and Uruguay in the Chaco Peace Conference at Buenos

Aires, whose endeavors led to the signing of a peace protocol on June 12, 1935 by Bolivia and Paraguay. The two belligerents subsequently agreed to renew diplomatic relations and initiated exchange of war prisoners. The boundary dispute which originally provoked the conflict, however, still remains unsolved.

Washington's new trade policy—of reducing tariff barriers by reciprocal treaties—has formed an important element of the Good Neighbor program. At the Montevideo Conference, Secretary Hull secured approval of a proposal for lower tariffs, continuation of equal treatment through the unconditional most-favored-nation principle, and the prompt negotiation of reciprocal treaties. The Tariff Act of June 12, 1934 authorized the President to negotiate trade agreements, reducing the duties on imports into the United States by not more than 50 per cent of existing rates. Under this act 14 agreements have been signed, of which seven are with American republics—Brazil, Colombia, Cuba, Guatemala, Haiti, Honduras and Nicaragua. Negotiations are pending with two other American countries.<sup>8</sup> On May 24, 1935 the United States signed a new sanitary convention with Argentina, but this has not yet been ratified by Washington.

The United States government has also sought to solve the problem of Latin American debt defaults in a friendly spirit. Under President Hoover, Washington made no effort to exercise its right of financial intervention when the Dominican Republic and Salvador defaulted on their obligations. The Roosevelt Administration has used its good offices to facilitate efforts of the Foreign Bondholders Protective Council to reach agreements with the Latin American governments concerning loans in default.<sup>9</sup>

#### BUILDING AN AMERICAN PEACE

Both the Latin American republics and the United States have vital reasons for seeking to promote peace in the Western Hemisphere. The traditional interest of the former in arbitration and other methods of peaceful settlement is complemented by their concern, as small nations, with security against aggression. Peace in the Americas, moreover, serves the interests of the United States.<sup>10</sup>

5. He added an expression of regret that the conference had not been able "to prepare interpretations and definitions of these fundamental terms that are embraced in the report." For complete text of the Hull reservation, cf. *Report of the Delegates of the United States of America to the Seventh International Conference of American States* (Washington, Government Printing Office, 1934), pp. 169-72.

6. U. S. Department of State, *Press Releases*, December 30, 1933, p. 381.

6a. In the eyes of many Latin Americans, the use of diplomatic pressure and recognition to influence Cuban internal developments was viewed as contrary to the spirit of the Roosevelt and Hull statements.

7. Cf. the following *Foreign Policy Reports*: John C. deWilde, "South American Conflicts: the Chaco and Leticia," May 24, 1933; Charles A. Thomson, "The Seventh Pan-American Conference: Montevideo," June 6, 1934; David H. Popper, "The Latin American Policy of the Roosevelt Administration," December 19, 1934; and Helen P. Kirkpatrick, "The League and the Chaco Dispute," July 15, 1936.

8. Cf. David H. Popper, "The Hull Trade Program," *Foreign Policy Reports*, October 15, 1936.

9. On December 31, 1935, out of a total of \$1,538,431,980 outstanding in publicly offered foreign dollar bonds, \$1,251,889,000, or 80 per cent, were in default. Foreign Bondholders Protective Council, Inc., *Annual Report, 1935* (New York), p. 282.

10. Cf. p. 202.

The organization of peace in the Western Hemisphere is based on international accords which fall into two categories: those of general and worldwide character, and those limited to the nations of the New World. In the first category belong the Hague conventions, the Covenant of the League of Nations, the protocol of the Permanent Court of International Justice, and the Pact of Paris. The second category includes the following:<sup>11</sup>

The Gondra Treaty of 1923, entitled the "Treaty to Avoid or Prevent Conflicts between the American States."

The 1929 General Convention of Inter-American Conciliation, which was supplemented by the additional Protocol of 1933.

The 1929 General Treaty of Inter-American Arbitration and the Protocol of Progressive Arbitration.

The Argentine Anti-War Pact of 1933, or "Saavedra Lamas Treaty."<sup>12</sup>

The Gondra Treaty was approved at the fifth Pan-American Conference, held in 1923 at Santiago, Chile. It represented an advance over previous instruments in that it authorized submission of all controversies,<sup>13</sup> including those affecting independence and national honor, to *ad hoc* Commissions of Inquiry for investigation and report. Nations were not to go to war until after the commission had presented its report. In addition to these commissions, the treaty set up two permanent committees, composed of the three senior diplomatic representatives of American nations accredited respectively to Washington and Montevideo. The sole function of these diplomatic committees was, at the request of one party to a dispute, to issue the call for the organization of a Commission of Inquiry. In the years that this accord has been in force, its value has never yet been tested.

The Gondra accord was strengthened by the Convention of Inter-American Conciliation, signed at Washington on January 5, 1929 as the result of the Pan-American Conference on Conciliation and

Arbitration. This new agreement empowered the *ad hoc* Commissions of Inquiry to undertake conciliation as well as investigation of disputes, and conferred on the standing diplomatic committees authority to exercise conciliatory functions before the *ad hoc* commission was established, "either on their own motion when it appears that there is a prospect of disturbance of peaceful relations, or at the request of a party to the dispute."<sup>14</sup>

The 1929 conference at Washington also drew up the Treaty of Inter-American Arbitration, which embodied advanced principles of compulsory arbitration for the settlement of legal disputes. Arbitration was to be initiated only after the parties had agreed both as regards organization of an *ad hoc* tribunal and definition of the question to be arbitrated.<sup>15</sup> Should these difficulties be surmounted, the award of the tribunal would settle the dispute "definitively and without appeal." In accordance with a Protocol of Progressive Arbitration, also approved at the Washington conference, any party to the arbitration treaty might at any time withdraw reservations it previously had made, or any exceptions listed in the text of the accord. No states have yet exercised this privilege.

The most recent addition to American peace machinery was the Argentine Anti-War Pact, signed at Rio de Janeiro on October 10, 1933. This act condemned wars of aggression and pledged non-recognition of territorial arrangements not obtained by pacific means. Should a signatory violate the obligations of the pact, the contracting states are "to make every effort for the maintenance of peace. To that end they will adopt in their character as neutrals a common and solidary attitude; they will exercise the political, juridical or economic means authorized by international law; they will bring the influence of public opinion to bear but will in no case resort to intervention either diplomatic or armed . . ." This provision apparently envisaged the possibility of consultation and the application of a mild type of sanctions.

11. Prior to 1923, a number of conventions had been signed at the pan-American conferences, of which the most important was the 1902 Treaty of Compulsory Arbitration which provided for solution of controversies not affecting "either the independence or the national honor" of the contracting parties. Cf. James Brown Scott, *International Conferences of American States* (New York, Oxford University Press, 1931), pp. 100-104.

12. This accord was not limited to the American states and by September 1, 1936, in addition to the 21 American republics, had been signed or adhered to by 10 non-American states: Bulgaria, Czechoslovakia, Greece, Italy, Norway, Portugal, Rumania, Spain, Turkey and Yugoslavia. For texts of the above agreements, cf. U. S. Department of State, *Treaty Series*, Nos. 752, 780, 886, 887 and 906 (Washington, Government Printing Office).

13. It excepted only disputes which involve national constitutions and those related to questions already settled by treaty.

14. The fact that the Commissions of Inquiry were to be appointed only after a controversy had arisen constituted a serious weakness in this machinery for peace. An additional Protocol, approved by the Montevideo Conference in December 1933, attempted to remedy this defect by providing for a system of permanent bilateral commissions to which each country would name two delegates by means of an agreement with each of the other signatories, the fifth member of each commission to be appointed through the initiative of the Pan American Union.

15. In case the parties failed to agree on these points, the treaty outlined procedures for organization of the tribunal and formulation of the accord. For a discussion of the achievements of the 1929 Pan-American Conference on Conciliation and Arbitration, cf. William T. Stone, "The Pan-American Arbitration Treaty," Foreign Policy Association, *Information Service*, November 13, 1929.



The existing system of conciliation and arbitration has been criticized as confused; workable only if the parties to a dispute display genuine good will and desire to cooperate; and therefore easily open to breakdown as the result of disagreement. The framers of this system, it is declared, "have neglected the primary lesson of the experience of the past fifty years, *viz.*, that effective dealing with disputes requires the previous existence of an authoritative agency which may be seized of the difference by any interested party."<sup>16</sup>

Despite these defects, the Buenos Aires conference may hesitate to formulate any new and more compelling peace instrument. Experience has clearly demonstrated the difficulty of securing general ratification of multilateral pacts. Owing to this difficulty none of the inter-American treaties could be invoked in efforts to end the Chaco war. No one accord had been ratified by both Bolivia and Paraguay. By October 1, 1936 only the United States, Brazil, Chile, Cuba, the Dominican Republic, Guatemala, Haiti, Mexico, Nicaragua and Salvador had become parties to all four accords. Argentina and Bolivia had not ratified the Gondra treaty. These two nations, together with five others, were not yet parties to the 1929 conciliation treaty. The arbitration convention lacked final action by eight countries,<sup>17</sup> and the Argentine Anti-War Pact by seven.

Should difficulties of ratification deter the Buenos Aires conference from incorporating existing treaties in a new and general instrument, it will still be called upon to consider numerous individual proposals for strengthening and supplementing present machinery. A draft treaty circulated by the United States among the other American republics<sup>18</sup> proposes to outlaw undeclared wars, such as the Chaco conflict was for a long period. If pacific means fail to settle differences, it prescribes that hostilities shall not begin before a formal declaration of war or an ultimatum with a conditional declaration has been issued. Other suggestions relate to modification of present conciliation and arbitration treaties, to the question of sanctions, and to coordination of American machinery with that

of the League of Nations. Decision on the last question will indicate how far "regionalism" is to dominate inter-American organization for peace.

In the field of sanctions, a draft treaty proposed by Dr. Carlos Saavedra Lamas, Minister of Foreign Affairs of Argentina,<sup>19</sup> advocates non-recognition of territorial changes achieved by force, and application to belligerents of a raw materials as well as an arms embargo. In contrast to these proposals, a memorandum of the Chilean Ministry of Foreign Affairs, issued on May 18, 1936, would limit sanctions in the American peace system solely to suspension of diplomatic relations.

The past record of both Latin American nations and the United States regarding application of sanctions does not encourage hopes of positive commitments at the Buenos Aires conference. During the Chaco war, lack of effective cooperation on the part of the American states, particularly from the countries adjoining the belligerents, seriously undermined the effectiveness of the arms embargo.<sup>20</sup> In the Italo-Ethiopian war none of the Latin American members of the League denied its obligations and none followed the neutrality policy adopted by the United States, but it would appear that only Mexico, Colombia and Bolivia applied sanctions without reservations. Moreover, on April 10, 1936, Ecuador formally announced its abandonment of sanctions before the League had acted on that question.

While the United States maintained an effective arms embargo during both the Chaco and the Italo-Ethiopian conflicts, the proposal to extend the embargo to raw materials used in war, embodied in the Pittman-McReynolds bill, met with such opposition from the Senate Foreign Relations Committee and from public opinion that it was abandoned.

#### A LEAGUE FOR THE WESTERN HEMISPHERE?

Several Latin American governments have proposed consideration at Buenos Aires of an Ameri-

16. Manley O. Hudson, "The Inter-American Treaties of Pacific Settlement," *Foreign Affairs* (New York), October 1936, pp. 176, 177.

17. Approval by the United States Senate of this accord was qualified by a reservation that "the special agreement in each case shall be made only by the President, and then only by and with the advice and consent of the Senate, provided two-thirds of the Senators present concur." U. S. Department of State, *Treaty Information Bulletin*, No. 67, April 1935, p. 1.

18. *New York Herald Tribune*, October 3, 1936.

19. Carlos Saavedra Lamas, *Draft of a Convention for the Maintenance of Peace, A Contribution to the Labor of the Forthcoming Inter-American Peace Conference* (English Edition, Washington, D. C., May 1936).

20. Although Argentina and Brazil apparently forbade export or re-export of arms from their territory, Chile, Peru and Uruguay did not participate in the embargo. For a detailed history of the Chaco embargo, cf. Manley O. Hudson, "The Chaco Arms Embargo," *International Conciliation* (New York, Carnegie Endowment for International Peace, May 1936), pp. 217-46.

can League of Nations,<sup>21</sup> as well as an American Court of Justice. It is doubtful if the latter project will be given serious attention. In addition to other opposition, the State Department has long held the view that where rules of international law of universal validity are concerned, there is no need for more than one court functioning for the entire world. Prospects for an American League depend to a considerable extent on the degree to which the Latin American states continue to support the Geneva organization. During the spring of 1936 sentiment favoring withdrawal from Geneva became vocal, especially in Chile and Mexico. Subsequently Guatemala, Honduras and Nicaragua gave formal notice of their intention to take this step. Through their representation in the League of Nations, however, the Latin American states secure enhanced participation in world affairs and a counterpoise to United States domination—advantages which many of them may hesitate to surrender. Aside, moreover, from any relation of the Latin American republics to Geneva, the creation of an American League of Nations depends on a compromise between the claim of the small republics for complete equality and the desire for predominance on the part of the United States and the larger Latin American powers.

Proposals from Argentina and Chile have centered on the coordination of American peace organization with the League of Nations. Dr. Saavedra Lamas suggested that states which are both members of the League and signatories of the Kellogg or Argentine Anti-War Pacts may invite non-League states which are signatories of the above pacts "to lend their cooperation in the anti-war measures or in the sanctions which the League of Nations may counsel." These latter states remain free, however, to determine whether such cooperation corresponds to their obligations under the two pacts mentioned.<sup>22</sup>

The Chilean memorandum of May 18, 1936, already mentioned, proposes that the American republics continue in the League but renounce the responsibility of sanctions. Declaring that American League members have been forced "to apply to friendly countries, for circumstantial reasons, sanctions contrary to their legal tradition and their

permanent interests," it advocates a strengthened system of inter-American conciliation and arbitration<sup>23</sup> which would constitute a regional understanding of the American republics within the framework of the League. With the creation and application of this enlarged convention, the American states "would consider all their obligations as members of the League of Nations fulfilled, and all their duties delimited."

The ties of Latin America with the League have unquestionably been weakened by recent events, but it seems unlikely that the Buenos Aires conference will promote any Latin American stampede from Geneva. Action taken on neutrality and the Monroe Doctrine, however, may markedly strengthen the trend toward "regional" organization in the Western Hemisphere.

#### A JOINT NEUTRALITY PROGRAM

Neutrality was included in the conference program at the suggestion of the United States. Growing tension among European nations, carrying with it the threat of war, has within recent years served to revive discussion of the subject both in the United States and Latin America. This discussion, further stimulated by the advent of the Italo-Ethiopian conflict, followed two lines. Some advocated voluntary restriction of neutral rights, so that neutral nations might avoid embroilment in war and also possible obstruction of international efforts to end strife. Others argued for redefinition and re-enforcement of neutral rights, with a view to according those rights more effective support in a future struggle than they had received during the World War.<sup>24</sup>

The emphasis on voluntary restriction of neutral rights came to the fore in the United States during the summer of 1935, when fear of a European conflict—which might ultimately involve this country—led to the passage of the neutrality resolution of August 31.<sup>25</sup> It provided for a mandatory embargo on "arms, ammunition, or implements of war"—so-called absolute contraband—to apply to all belligerents. This provision expired on February 29, 1936, but was extended on that date until May 1,

23. This would include permanent bilateral Preventive Commissions, charged with studying any problem which might lead to future disagreement or conflict.

24. The argument that neutrality for League members was ended by the obligations of the League Covenant, has practically fallen to the ground in view of recent international developments. Cf. Philip C. Jessup, *Neutrality: Its History, Economics and Law*, Vol. IV, *Today and Tomorrow* (New York, Columbia University Press, 1936), pp. 86-123.

25. For the text, cf. Public Law No. 67, 74th Congress, first session.

21. For support by President Wilson and Colonel House during 1914 and 1915 of the idea of an American League of Nations, cf. p. 210. In Latin America its leading advocate was Dr. Baltasar Brum of Uruguay. Cf. especially his monograph, *The Peace of America* (Montevideo, 1923).

22. Saavedra Lamas, *Draft of a Convention for the Maintenance of Peace*, cited, pp. 6, 7. The "Statement of Reasons" appended to this convention reviews the efforts toward cooperation between the League and non-member states, particularly the United States. Cf. *ibid.*, pp. 25-29.

1937 by a new resolution,<sup>26</sup> which also carried an amendment prohibiting loans and credits to belligerent governments.<sup>27</sup> It added a stipulation exempting from application of the act American states at war with a non-American state or states, unless the former were "cooperating with a non-American state or states in such war." Although this provision specifically favored the Latin American republics, its last clause was interpreted in some quarters as a veiled threat by Congress to deny American munitions to any Latin American state supporting League sanctions of a military character.<sup>28</sup>

The extension of the neutrality resolution was approved after Senate opposition had forced the abandonment of a program for a permanent neutrality policy, embodied in the Pittman-McReynolds bill.<sup>29</sup> This measure would not only have applied an embargo on munitions to all belligerents, but authorized the President at his discretion to impose restrictions on the shipment of other materials used in the conduct of war<sup>30</sup>—conditional contraband—with the exception of food and medical supplies, in excess of the average "normal" exports to the countries concerned "during a previous period of years to be determined by the President." The bill, if approved, would have given the President almost complete discretion in a future conflict to waive neutral rights which the United States had traditionally claimed for itself.

Although public interest in the United States had centered on restriction of neutral rights, the need for redefinition and re-enforcement of those rights was not overlooked at Washington. On January 10, 1936 Secretary of State Cordell Hull, testifying to the Senate Foreign Relations Committee on the Pittman-McReynolds bill then before Congress, declared: "We intend . . . to urge other nations to join us at the earliest opportunity in re-examining and restating and re-vitalizing neutral rights under

international law as they existed prior to the World War as nearly as we find it consistent and as other nations might find it consistent to do so."<sup>31</sup>

From 1914 to 1917 the neutral rights of both the United States and the Latin American countries suffered severely. Argentina and Brazil protested application within their boundaries of the British "black list," by which firms maintaining trade relations with subjects of the central powers were subjected to unfavorable discrimination. Merchant vessels of Argentina, Brazil and Peru were sunk by German submarines. Chile's neutrality was violated by German warships, which remained in Chilean territorial waters more than the stipulated period of 24 hours.<sup>32</sup> The United States, for its part, vigorously opposed belligerent interference with commerce, occasioned both by Allied restrictions and by the German submarine campaign. Concerning the general effect of the World War on neutral rights, Secretary Hull has declared that "nearly all of what had theretofore been the ordinary rules of neutrality and neutral rights were more or less set aside, so that when the war ended there was in several respects virtual chaos so far as neutral rights were concerned."<sup>33</sup>

At Buenos Aires, one of the major tasks before the conference will be the elaboration of a joint policy on neutrality to be followed by the American states. Neutral cooperation is no new thing in international relations. It began at least several centuries ago.<sup>34</sup> In inter-American affairs it has a background which is worthy of brief review. In contrast to reports of Washington's present interest in enlisting Latin American support, the United States from 1914 to 1917 was unresponsive to suggestions of cooperation from European neutrals, and only slightly more hospitable to approaches from Latin American states. Peru recommended to Washington common action on the part of the American republics to "guarantee the inviolability of their trade routes." Chile advanced the idea of the joint establishment of a neutral zone along the Atlantic coastline of the American states.

A Venezuelan memorandum presented on December 14, 1914 proclaimed that "in opposition to the active rights of the belligerents arises the right

26. Public Law No. 74, 74th Congress, second session.

27. But exempting at the discretion of the President "ordinary commercial credits and short-time obligations in aid of legal transactions and of a character customarily used in normal peace-time commercial transactions."

28. The discrimination favoring American as opposed to non-American states in regard to arms embargo has been criticized as indicating "that under certain circumstances the United States would be affirmatively and deliberately unneutral." Cf. *Proceedings of the American Society of International Law*, Thirtieth Annual Meeting, April 23-25, 1936 (published by the Society, Washington, D. C., 1936), pp. 141, 159 *et passim*.

29. For text, cf. *Hearings on Neutrality*, January 10 to February 5, 1936, Senate Committee on Foreign Relations, 74th Congress, Second Session (Washington, Government Printing Office, 1936), pp. 1-6.

30. The exact text of the bill read: "certain articles or materials used in the manufacture of arms, ammunition, or implements of war, or in the conduct of war . . . ."

31. *Hearings on Neutrality*, cited, p. 14.

32. Cf. Percy A. Martin, *Latin America and the World War* (Baltimore, Johns Hopkins Press, 1925), especially pp. 41-67, 190-237, 299-319, 393-400.

33. *Hearings on Neutrality*, cited, p. 12. For a comprehensive summary of the extent to which neutral rights suffered, cf. Edgar Turlington, *Neutrality: Its History, Economics and Law*, Vol. III, *The World War Period* (New York, Columbia University Press, 1936).

34. Jessup, *Neutrality*, Vol. IV, *Today and Tomorrow*, cited, pp. 160 ff.



of the neutrals to unite and organize . . . for effective and beneficent action in behalf of their own security." The formation of a "league of neutrals" was advocated, to serve as a common agency in representations to the belligerents. But due partly to coolness in Washington, none of these overtures bore fruit.<sup>35</sup>

At the request of Secretary of State Lansing, however, the American Institute of International Law studied the neutrality question during the World War. In 1925 it submitted to the Governing Board of the Pan American Union a project seemingly based on the principle that neutral rights were of greater importance than belligerent rights. The Pan-American Conference of 1928 at Havana approved a Convention on Maritime Neutrality. As originally drawn, this convention had stipulated that immediately on the declaration of a war the Governing Board of the Pan American Union should meet to determine the common interest of the states represented in regard to neutrality. The Union was also authorized to protest against violations of the laws of war. But these provisions were not approved at the conference, apparently because of unwillingness to grant political powers to the Pan American Union.<sup>36</sup> The convention, as adopted, attempted to outline the rights and duties of both belligerents and neutrals. In its preamble it declared that "neutral States are equally interested in seeing that their rights are respected by the belligerents." But it failed to provide for any cooperation on the part of neutral nations to defend those rights. It did forbid neutral states to deliver munitions or war materials to belligerent states, or grant them loans or credits, except for credits granted by a neutral to facilitate sale or export of its food products or raw materials.<sup>37</sup>

At the Montevideo Conference in 1933 all the 21 American states adhered to the Argentine Anti-War Pact, which sanctioned the principle of neutral cooperation, short of the obligation to use force. Article 3 of that agreement read: "In case of non-compliance by any State engaged in a dispute, with the obligations contained in the foregoing articles, the contracting States . . . will adopt in their character as neutrals a common and solidary attitude";<sup>38</sup> they will exercise the political, juridical or

economic means authorized by international law . . ."

Thus the signatories to this pact, including the United States, all the Latin American republics and 10 European states, have announced their willingness to adopt a common attitude during a period of neutrality. The treaty envisages joint action by neutrals, one of whose purposes presumably would be a common front on neutral rights.

In outlining a concerted neutrality policy for the American states, the delegates at Buenos Aires will be faced with the question whether they should approach their discussions from the angle of restriction or re-enforcement of neutral rights. The United States draft treaty,<sup>39</sup> may indicate that the emphasis will be placed on restriction. This convention, as originally drawn, applies solely to conflicts between American states, and proposes in such a case a joint embargo on shipment of arms and implements of war, applicable to all belligerents, and a similar embargo on extension of loans and credits.<sup>40</sup> In line with existing United States legislation, however, these embargoes would not be obligatory against an American state at war with a non-American state. The convention also provides that trade restrictions established by neutral powers against belligerents shall not be considered as contravening commercial treaties. An "escape" clause stipulates that the provisions of such an inter-American neutrality program shall not conflict with the obligations of other international accords, including the League Covenant.

The convention would establish a permanent international consultative committee, composed of the Secretaries of State and Foreign Ministers of the American republics. This committee, in addition to correlating action with a view to enforcement of the proposed treaty, is to "collaborate on ways and means of avoiding armed conflict or of terminating any that may be in progress." It might conceivably function not only in cases of formal war, but threatened intervention.

Should the conference emphasize reaffirmation and re-establishment of neutral rights, it would have an opportunity to do two things: first, redefine the status of neutral rights in the light of present tendencies; second, indicate what type of concerted action may be taken to support those rights, and explore to this end the political, juridical and economic means authorized by international law. If any action is taken at Buenos Aires in this

35. *Ibid.*, p. 173.

36. Cf. "The Sixth Pan-American Conference, Part II," Foreign Policy Association, *Information Service*, July 6, 1928.

37. For the text of the convention, cf. "The Sixth Pan-American Conference, Part II," cited, pp. 200-202. Up to October 1, 1936 only six American states had become parties to this convention: Bolivia, the Dominican Republic, Haiti, Nicaragua, Panama and the United States (the last with reservations).

38. Author's italics.

39. Cf. p. 206.

40. It has been argued that an embargo on loans and credits would largely prevent abnormal expansion of neutral exports to belligerents. Cf. *Hearings on Neutrality*, cited, p. 190.

field, it will probably be limited to appointment of a commission to study the question and report at the next regular pan-American gathering, to be held at Lima, Peru.

#### A NEW MONROE DOCTRINE

Neutrality will not be the only topic at Buenos Aires which may involve the relations of the American states with Europe. The conference may also consider organization of an inter-American front against possible European aggression. Reference has already been made to fears at Washington that a European dictatorship might seek territorial expansion in Latin America. Some observers have forecast a conference move to transform the Monroe Doctrine into a multilateral declaration.

The Monroe Doctrine has long been under attack in Latin America. Although the nations to the south concede it may have served them well in the early years of independence, they now criticize the Doctrine on at least two grounds. First, it is unilateral in character. It can be interpreted only by this country and has been applied, they argue, when, where and as it serves the interests of the United States. On various occasions it has failed to protect them from European aggression. Second, it has been used as a shield for United States intervention in Latin America. Of questionable value with regard to Europe, it offers no defense at all against aggression by the United States. Although the Doctrine was recognized in Article XXI of the League Covenant as a "regional understanding," its validity has been formally questioned since 1919 by Honduras, Salvador, Costa Rica, Argentina and Mexico.

During the Wilson Administration, Colonel House initiated negotiations for a pan-American pact, providing for mutual guarantees among all the American republics "of territorial integrity and of political independence under republican forms of government."<sup>41</sup> The purpose of the proposal was not only to unite more firmly the American nations, but also to serve as a model for international organization in Europe following the war. Conversations were held with the Ambassadors of Argentina, Brazil and Chile, and at one time the project appeared close to success. But due to delays

41. The original proposal included a provision for government control of the manufacture and sale of munitions. For text of the pact and history of the negotiations, cf. Charles Seymour, *The Intimate Papers of Colonel House* (New York, Houghton Mifflin, 1926), Vol. I, Chap. VIII. Colonel House once suggested to Sir Edward Grey that "the British Government might join the American guaranty as far as their American colonies were concerned."

on the part of Chile and the advent of the Mexican question, it never came to fruition.

The Buenos Aires conference is not expected to outline a formal treaty of the type envisaged by Colonel House. The parley might, however, formulate a multilateral declaration opposing not only acquisition of territory and political control, but any act of aggression on the part of a non-American state against an American state, and providing for consultation in support of such a joint policy.<sup>42</sup>

#### EXPANSION OF INTER-AMERICAN TRADE

Although President Roosevelt's letter of invitation originally envisaged the Buenos Aires gathering as exclusively a conference on peace, considerable opinion in Latin America demanded the inclusion of economic matters.<sup>43</sup> In this field, major attention is expected to be given to expansion of inter-American commerce, which would serve, among other purposes, to increase the self-sufficiency of the New World against the contingency of a European war. The United States is especially eager to rebuild its commerce with the Latin American nations, reduced by the depression to less than pre-war levels. The growth of German and Japanese trade with certain countries of the area has also awakened apprehension in the United States.

Inter-American trade occupies an important place in the total commerce of both the United States and the Latin American countries.<sup>44</sup> In 1935 15 per cent of United States exports, 22 per cent of its imports and 19 per cent of its total foreign trade was with the republics of this area. The Latin American nations as a whole shipped to the United States 28 per cent of their exports in 1934, and received from us 30 per cent of their im-

42. For a suggestion along these lines, cf. "Recommendations as to the Pan-American Conference at Montevideo," *Foreign Policy Committee Reports, No. 1* (New York, Foreign Policy Association and World Peace Foundation, November 1933), p. 8.

43. For a concise discussion of the background and present status of these questions, cf. Inter-American Conference for the Maintenance of Peace, *Special Handbook for the Use of Delegates* (Washington, Pan American Union, 1936), pp. 58-86.

44. The value of United States exports to and imports from Latin America is as follows:

	Exports	Imports	Total
1910	\$239,000,000	\$ 391,000,000	\$ 630,000,000
1929	912,000,000	1,014,000,000	1,926,000,000
1933	212,000,000	291,000,000	503,000,000
1935	344,000,000	461,000,000	805,000,000

Guillermo A. Suro, "Forty Years of Trade with the Latin American Republics," *Bulletin of the Pan American Union* (Washington, D. C.), October 1933; and U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, *Monthly Summary of Foreign Commerce of the United States*, December 1935 (Washington, Government Printing Office), p. 4.

ports. For Mexico, Central America, Panama and the republics of the West Indies, the percentage was 55.5 for exports and 57.1 for imports.<sup>45</sup>

Trade between the United States and Latin America is largely complementary rather than competitive in character. The United States in general exports manufactured and semi-manufactured goods to the Latin American states, receiving from them raw materials and foodstuffs. This mutually advantageous situation, however, has not assured complete concord in economic relations. Although more than two-thirds of United States imports from Latin America enter as a rule duty-free, certain individual countries—Argentina, Uruguay and Cuba—have been particularly affected by restrictions applied to their products. On the other hand, the Latin American states derive in many cases more than half of their government revenues from customs duties, a situation which has resulted in rates seriously affecting United States products. Moreover, the Latin American states have engaged in harmful tariff conflicts among themselves.<sup>46</sup>

The world depression seriously affected the economic position of the Latin American republics and stimulated imposition by them of new restrictions which, in addition to some tariff increases, took the form of exchange controls, clearing agreements and multiple tariffs.<sup>47</sup>

It is significant that the new trade and financial controls have developed most extensively in those Latin American countries whose principal commercial relations are with European nations. Modification of such trends, it would appear, must wait on changes in European commercial policy, and the recent stabilization of currencies encourages hope of some action in this field.

The new types of trade restrictions have so limited the scope of the most-favored-nation principle that a decree adopted by Brazil at the close of 1935 may forecast a trend for the future. This decree provided for the negotiation of "additional protocols to those treaties which, although providing for reciprocity in unconditional and unlimited

most-favored-nation treatment, do not offer to Brazilian goods sufficient guarantees with regard to quotas, licenses, limitations on imports, compensation systems and other restrictions, whether tariff, sanitary or of any other character."<sup>48</sup> Inter-American action along similar lines to safeguard the principle of equal treatment may be attempted at Buenos Aires. To avoid increases in customs duties in the immediate future, the conference is also expected to consider establishment of a tariff truce among the American states.

#### PAN-AMERICAN HIGHWAY

In the field of communications, the Pan-American Highway may claim priority of attention at the conference. International promotion of road-building has been most active from Panama northward to the United States. On July 1, 1936 the highway connecting Laredo, Texas, with Mexico City was formally opened. The completion of a road southward from Mexico City to the border of Guatemala is scheduled for 1940. A reconnaissance survey of the route traversing Central America and Panama has been made by engineers of the United States Bureau of Public Roads, cooperating with engineers of the respective republics. In 1934 the United States Congress authorized the expenditure of \$75,000 for a continuance of the reconnaissance survey, and appropriated \$1,000,000 for construction and survey operations.<sup>49</sup> Of the 3,250 miles between Texas and Panama, approximately 1,265 miles of highway was completed for all-weather traffic by June 1936. Minimum estimates for bringing the remainder of the route up to the same standard called for expenditure of \$55,000,000—about \$30,000,000 in Panama and Central America and \$25,000,000 in Mexico.

Inclusion of limitation of armaments in the agenda is due to insistence by Chile. This topic was discussed with some bitterness at Santiago in 1923. Argentina, Brazil and Chile—the only naval powers of Latin America—were unable to reach an agreement concerning future limitation. At that time the United States had just reduced its navy, following the 1921 Washington Conference. The republics of Central America, however, signed a convention for limitation of land armaments in 1923. It appears doubtful that the Buenos Aires conference will attempt any action in this field, for it is believed that Washington will argue that dis-

45. Cf. H. Gerald Smith, "Economic Ties Linking the United States and Latin America," *Bulletin of the Pan American Union*, March 1936, p. 270. The amount of commercial interchange among the Latin American republics themselves is, with few exceptions, unimportant.

46. Cf. Carlos Dávila, "The Montevideo Conference: Antecedents and Accomplishments," *International Conciliation* (New York, Carnegie Endowment for International Peace, May 1934), p. 145.

47. For reviews of recent trends in Latin America, cf. H. Gerald Smith, "Recent Commercial Policy Trends in Latin America," *Commercial Pan America* (Washington, D. C., Pan American Union), May 1936; Henry Chalmers, "Foreign Tariffs and Commercial Policies in Latin America During 1935," *Bulletin of the Pan American Union*, May 1936.

48. Smith, "Recent Commercial Policy Trends in Latin America," cited, p. 3.

49. Cf. "The Pan American Highway: United States-Panama Section," *Commercial Pan America* (Washington, Pan American Union), June 1936.

armament is not a regional or continental but a world question.

Consideration of intellectual cooperation at Buenos Aires is expected to include proposals favoring financial support by governments for interchange of students and professors, and revision of text books, looking toward "moral disarmament" and deletion of material which provokes misunderstanding and ill will.<sup>50</sup> The former is stressed in a draft convention drawn up by the State Department, which suggests that each country offer annual fellowships to two graduate students from every other American republic.

#### CONCLUSION

The significance of the Buenos Aires conference may eventually be measured by the degree to which it influences the development of regionalism in the New World. It assembles when relations between the United States and the Latin American governments—due largely to the Good Neighbor policy—are more cordial than they have been for many decades. Moreover, the drift toward war in Europe, together with the decline in prestige of the League of Nations, has created a new and more favorable attitude toward inter-American cooperation. Regional organization is not a new idea in the Western Hemisphere: it represents a tradition older

50. For a description of recent developments in this field, cf. *Special Handbook for the Use of Delegates*, cited, pp. 100-107.

than the Monroe Doctrine. Will the Buenos Aires conference accentuate this trend to the point where the American nations may seek isolation from, rather than cooperation with, the Old World?

No formal American League of Nations is expected to develop from the deliberations at Buenos Aires. Nor is it probable that the parley will approve establishment of an American Court of Justice, despite widespread support of this project among the Latin American republics. Nevertheless, many factors indicate that the conference will strengthen inter-American political ties. Achievements in peace organization may prove less important than in other fields. More effective in linking the American states for common action may be the neutrality accord proposed by the United States, with its provision for a commission of Secretaries of State and Foreign Ministers to consult in times of crisis. Development by multilateral declaration of a new Monroe Doctrine, which would unite the American countries in a common front against European aggression, would markedly strengthen regional organization in this hemisphere.

If the Buenos Aires conference is to achieve its primary objective, it must knit more firmly the ties which unite the American republics. Its achievements will prove deceptive, however, unless it recognizes also the political and economic bonds which join the nations of the Western Hemisphere to the rest of the world.

#### Statement of the Ownership, Management, Circulation, Etc., Required by the Acts of Congress of August 24, 1912, and March 3, 1933, of Foreign Policy Reports

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Before me, a Notary Public in and for the State and county aforesaid, personally appeared Helen Terry, who, having been duly sworn according to law, deposes and says that she is the Assistant Editor of the Foreign Policy Reports, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form, to wit:

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